

May 12, 2010

Hon. Shawna Bushhorn
Ripley County Assessor
Ripley County Courthouse
115 North Main Street
Versailles, Indiana 47042

Barry Wood
Director Assessment Division
Department of Local Government Finance
Indiana Government Center North
100 North Senate Avenue N1058(B)
Indianapolis, IN 46204

Re: Ripley County 2010 Ratio Study

Dear Barry,

Our 2010 ratio study is now complete and ready for your approval.

Included in this resubmission is:

- 1.) Narrative - *Ripley 2010 Ratio Study Narrative Revised 05132010.doc*
- 2.) Ratio Study - *Ripley 2010 Ratio Study Revised 05132010.xls*

Methodology

The sales comparison method was used to make market based adjustments to residential and commercial assessed values, in Ripley County for 2010. The assessments were derived using the Real Property Assessment Guidelines for 2002-Version A. The sales used in this study are from January 1, 2008 to March 1, 2010. A careful analysis of local market conditions indicate that no time adjustments to the 2008 sales are warranted. Every effort was made to use all valid sales including multiple parcel sales and vacant land sales subsequently improved. The land base rates and neighborhood factors were examined in each neighborhood and property class. Neighborhoods with an insufficient number of sales were compared to and grouped with similar neighborhoods. The criteria for comparison were geographic location, similarity of land size, improvement type and age, and any other factors deemed relevant. Comparisons were also made between townships and the county as a whole to insure equity of assessment level.

Commercial - Improved and Vacant

Due to a lack of market activity, all townships were grouped together for the improved commercial ratio study.

The following changes were made to commercial land:

- 1.) Neighborhood 499003 – Small acreage adjustments were applied to all classes of commercial land (primary, secondary, useable undeveloped and unusable undeveloped).
- 2.) Neighborhood 499018 – Small acreage adjustments were applied to all classes of commercial land (primary, secondary, useable undeveloped and unusable undeveloped).

There was one valid commercial vacant sale within the selected time horizon for this study. An analysis was performed to verify that in all cases, commercial land values were greater than or equal to the corresponding residential land values.

Industrial - Improved and Vacant

There are a total of 75 industrial building improvements in Ripley County. Since there were no valid improved industrial sales within the timeframe of this study, the cost approach was used. A cost factor was calculated using Marshall and Swift Comparative Cost Multipliers for the Indianapolis area for the three building types most common to Ripley County. A cost index multiplier of 0.9957 representing the change from January 1, 2008 to January 1, 2009 (indexes are provided quarterly) was extracted and applied to all industrial building improvements. An adjustment of 2% representing an additional year of depreciation was also applied to each improvement. The previous building values were then compared to the newly factored values to derive the current annual index factor of 0.97. Applying the one year index adjustment of 0.97 to the previous factor of 0.98 yields the current industrial improved adjustment factor of 0.95.

There were no valid industrial vacant sales within the timeframe for this study. An analysis was performed to verify that in all cases, industrial land values were greater than or equal to the corresponding residential land values.

Residential - Improved and Vacant

Due to insufficient vacant residential sales data, similar townships with sales were grouped for analysis. The townships of Adams, Brown and Center were combined, as were Laugherty, Jackson, Otter Creek and Shelby; Delaware, Johnson, Franklin and Washington were also combined.

The following changes were made to residential land:

- 3.) Neighborhood 5080200 – Excess acreage was changed from \$1,500 to \$6,000 per acre.
- 4.) Neighborhood 5020600 – Homesites were added to land element table at \$42,500 per acre. Excess acreage was changed from \$1,500 to \$8,500 per acre.
- 5.) Neighborhood 5991000 – Excess acreage was changed from \$1,500 to \$6,600 per acre. Also, small acreage adjustments were applied to all excess acreages.
- 6.) Neighborhood 407000 – Homesites were changed from \$16,500 per acre to \$22,600. Excess acreage was changed from \$1,500 to \$4,500 per acre.

Sales combined from all townships shows that countywide level of assessment is within statistical tolerance and within 5% of each township.